

Introduced by Senator Cedillo

February 9, 2004

An act to amend Section 49557.2 of the Education Code, to amend Section 12693.75 of the Insurance Code, and to amend Section 14005.41 of the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1196, as introduced, Cedillo. Health care applications.

Existing law creates various programs to provide health care services to persons who have limited incomes and meet various eligibility requirements. These programs include the Healthy Families Program administered by the Managed Risk Medical Insurance Board, and the Medi-Cal program administered by the State Department of Health Services.

Existing law provides for a school lunch program under which eligible pupils receive free or reduced price meals. Existing law authorizes the sharing of the school lunch program application with the county agency administering the Medi-Cal program for use in making an accelerated Medi-Cal eligibility determination for pupils eligible for free or reduced price meals. Existing law provides for the sending of a Healthy Families Program application to pupils determined to be ineligible for Medi-Cal coverage.

This bill would authorize the sharing of the school lunch program application for purposes of the Healthy Families Program and any other applicable county- or local-sponsored health insurance program if a pupil is determined to be ineligible for Medi-Cal coverage and if the parent or guardian has consented to the sharing of information. This bill would require the county agency responsible for administering the

Medi-Cal program to forward the school lunch application to the Healthy Families Program and to county- and local-sponsored health insurance programs if a pupil is determined to be ineligible for Medi-Cal coverage through the accelerated eligibility determination process and if the parent has previously provided consent. The bill would delete the requirement for the county to send a Healthy Families Program application in that case. The bill would authorize schools to designate nonfood service staff to assist in the administration of school lunch program applications. The bill would enact other related provisions.

Because this bill would impose additional duties on county agencies responsible for Medi-Cal eligibility determinations, it would thereby impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 49557.2 of the Education Code is
2 amended to read:
3 49557.2. (a) (1) ~~Effective July 1, 2003, at~~ At the option of
4 the school district or county superintendent, and to the extent
5 necessary to implement Section 14005.41 of the Welfare and
6 Institutions Code, the following information may be incorporated
7 into the School Lunch Program application packet or notification
8 of eligibility for the School Lunch Program using simple and
9 culturally appropriate language:



1 (A) A notification that if a child qualifies for free school
2 lunches, then the child may qualify for free or reduced-cost health
3 coverage.

4 (B) A request for the applicant's consent for the child to
5 participate in the Medi-Cal program, if eligible for free school
6 lunches, and to have the information on the school lunch
7 application shared with the entity designated by the State
8 Department of Health Services to make an accelerated
9 determination and the local agency that determines eligibility
10 under the Medi-Cal program.

11 (C) A notification that the school district will not forward the
12 school lunch application to the entity designated by the State
13 Department of Health Services to make an accelerated
14 determination and the local agency that determines eligibility
15 under the Medi-Cal program, without the consent of the child's
16 parent or guardian.

17 (D) A notification that the school lunch application is
18 confidential and, with the exception of forwarding the information
19 for use in health program enrollment upon the consent of the
20 child's parent or guardian, the school district will not share the
21 information with any other governmental agency, including the
22 federal Immigration and Naturalization Service and the Social
23 Security Administration.

24 (E) A notification that the school lunch application information
25 will only be used by the entity designated by the State Department
26 of Health Services to make an accelerated determination and the
27 state and local agencies that administer the Medi-Cal program for
28 purposes directly related to the administration of the program and
29 will not be shared with other government agencies, including the
30 Immigration and Naturalization Service and the Social Security
31 Administration for any purpose other than the administration of
32 the Medi-Cal program.

33 (F) Information regarding the Medi-Cal program, including
34 available services, program requirements, rights and
35 responsibilities, and privacy and confidentiality requirements.

36 (2) The State Department of Education, in consultation with
37 school districts, county superintendents of schools, consumer
38 advocates, counties, the State Department of Health Services, and
39 other stakeholders, shall make recommendations regarding the
40 School Lunch Program application, on or before February 1, 2003.

1 The recommendations shall include specific changes to the School
2 Lunch Program application materials as necessary to implement
3 Section 14005.41 of the Welfare and Institutions Code,
4 information for staff as to how to implement the changes, and a
5 description of the process by which information on the School
6 Lunch Program application will be shared with the county, as the
7 local agency that determines eligibility under the Medi-Cal
8 program.

9 (b) (1) ~~Effective July 1, 2003, school~~ *School* districts and
10 county superintendents of schools may implement a process to
11 share information provided on *the School Lunch Program*
12 *application with* the entity designated by the State Department of
13 Health Services to make an accelerated determination and ~~the~~
14 ~~School Lunch Program application with the entity designated by~~
15 ~~the State Department of Health Services to make an accelerated~~
16 ~~determination and~~ *with* the local agency that determines eligibility
17 under the Medi-Cal program, and shall share this information with
18 those entities, if the applicant consents to that sharing of
19 information. *Schools may designate nonfood-service staff to assist*
20 *in the administration of free or reduced-price school lunch*
21 *applications that have applicant consent.* This information may be
22 shared electronically, physically, or through whatever method is
23 determined appropriate.

24 (2) Each school district or county superintendent that chooses
25 to share information pursuant to this subdivision shall enter into
26 a memorandum of understanding with the local agency that
27 determines eligibility under the Medi-Cal program, that sets forth
28 the roles and responsibilities of each agency and the process to be
29 used in sharing the information.

30 (3) The local agency that determines eligibility under the
31 Medi-Cal program shall only use information provided by
32 applicants on the school lunch application for purposes directly
33 related to the administration of the Medi-Cal program.

34 (4) After school districts share information regarding the
35 school lunch application with the entity designated by the State
36 Department of Health Services to make an accelerated
37 determination and the local agency that determines eligibility
38 under the Medi-Cal program, for the purpose of determining
39 Medi-Cal program eligibility, the local agency and the school
40 district shall not share information about school lunch

1 participation or the Medi-Cal program eligibility information with
2 each other unless specifically authorized under other provisions of
3 law.

4 *(c) Effective July 1, 2005, the notifications and consent*
5 *referenced in subdivision (a) and the procedures set out in*
6 *subdivision (b) shall include the Healthy Families Program and*
7 *any relevant county- and local-sponsored health insurance*
8 *programs as necessary to implement Section 14005.41 of the*
9 *Welfare and Institutions Code.*

10 *(d) If a school district finds that the child is eligible for*
11 *reduced-price meals under the National School Lunch program*
12 *and consent was provided as described in subdivision (b), the*
13 *entity designated by the State Department of Health Services to*
14 *make an accelerated determination shall notify the parent or*
15 *guardian of the child's ineligibility for an accelerated Medi-Cal*
16 *determination pursuant to Section 14005.41 of the Welfare and*
17 *Institutions Code.*

18 SEC. 2. Section 12693.75 of the Insurance Code is amended
19 to read:

20 12693.75. (a) The program shall make use of a simple and
21 easy to understand mail-in application process.

22 *(b) The program shall utilize the school lunch application and*
23 *any supplemental forms received pursuant to Section 14005.41 of*
24 *the Welfare and Institutions Code to make an eligibility*
25 *determination and shall request additional information only as*
26 *needed to complete the eligibility process.*

27 SEC. 3. Section 14005.41 of the Welfare and Institutions
28 Code is amended to read:

29 14005.41. (a) Notwithstanding any other provision of law,
30 the department shall deem to have met the income documentation
31 requirements for participation in the Medi-Cal program, without
32 a share of cost, any child who is less than six years of age and who
33 has been determined to be eligible for free meals through a
34 federally funded program using the National School Lunch
35 application provided for pursuant to Chapter 13 (commencing
36 with Section 1751) of Title 42 of the United States Code.

37 (b) Notwithstanding any other provision of law, with regard to
38 any child who is enrolled in and attending public school in the State
39 of California, the department shall accept documentation of
40 enrollment for free meals under the National School Lunch

1 Program as sufficient documentation of California residency for
2 that child for the purposes of the Medi-Cal program.

3 (c) (1) (A) ~~Effective July 1, 2003, notwithstanding~~
4 *Notwithstanding* any other provision of law, each county shall
5 participate in a statewide pilot project to determine Medi-Cal
6 program eligibility for any child under six years of age and
7 currently enrolled in school in the State of California who is
8 eligible for free meals under the National School Lunch Program
9 upon receipt of proof of participation in the National School Lunch
10 Program and a signed Medi-Cal application, which may be the
11 supplemented application, described in subdivision (i). Counties
12 shall notify the parent or guardian of the results of the eligibility
13 determination.

14 (B) ~~Effective July 1, 2003, notwithstanding~~ *Notwithstanding*
15 any other provision of law, each county shall participate in a
16 statewide pilot project to use the procedure described in this
17 subdivision to determine Medi-Cal eligibility without a share of
18 cost, and, if eligible, shall enroll in the Medi-Cal program, any
19 child six years of age or older currently enrolled in school in the
20 State of California who is eligible for free meals under the National
21 School Lunch Program, upon receipt of proof of participation in
22 the National School Lunch Program and a signed Medi-Cal
23 application, which may be the supplemented application,
24 described in subdivision (i). If the county determines from the
25 supplemented application described in subdivision (i) that the
26 child meets the eligibility requirements for participation in the
27 Medi-Cal program, the county shall notify the parent or guardian
28 that the child has been found eligible for the Medi-Cal program.
29 If the county is unable to determine from the information on the
30 application as described in subdivision (i) whether the child is
31 eligible, the county shall contact the family to seek any additional
32 information regarding income, household composition, or
33 deductions that the department, in consultation with the county
34 welfare departments, may determine to be necessary to complete
35 the Medi-Cal application. If the county determines that the child
36 does not meet the eligibility requirements for participation in the
37 Medi-Cal program, the county shall notify the parent or guardian
38 of the determination and shall ~~send the parent or guardian an~~
39 ~~application for the Healthy Families Program~~ *forward the school*
40 *lunch application and any supplemental forms as described in*

1 *subdivision (i) to the Healthy Families Program and county- or*
2 *local-sponsored health insurance programs, as applicable, if the*
3 *parent or guardian has provided consent.*

4 (2) Each county shall ask the parent or guardian of each child
5 identified in subparagraph (A) of paragraph (1) and the parent or
6 guardian of each child whom the county determines to meet the
7 income eligibility requirements for participation in the Medi-Cal
8 program under subparagraph (B) of paragraph (1) to provide
9 additional documentation as required by current law necessary for
10 retention of eligibility in the Medi-Cal program. If a parent or
11 guardian does not provide the documentation required for
12 retention of full-scope Medi-Cal program eligibility, the county
13 shall continue the child's enrollment in the Medi-Cal program, but
14 only for the limited scope of Medi-Cal program benefits as
15 described in Section 14007.5. *If applicable, the county shall also*
16 *forward the school lunch application and any supplemental forms*
17 *as described in subdivision (i) to a county- or local-sponsored*
18 *health insurance program if the parent or guardian has provided*
19 *consent.*

20 (d) Nothing in this section shall be construed as preventing the
21 department from verifying eligibility through the Income
22 Eligibility Verification System match mandated by Section 1137
23 of the federal Social Security Act (42 U.S.C. Sec. 1320b-7) or
24 from requesting additional information or documentation required
25 by federal law.

26 (e) Each county shall include its cost of implementing this
27 section in its annual Medi-Cal administrative budget requests
28 submitted to the department.

29 (f) For purposes of this section, the Medi-Cal program
30 application date shall be the date on which the school lunch
31 application information is received by the local agency
32 determining eligibility under the Medi-Cal program.

33 (g) (1) This section shall be implemented on July 1, 2003, only
34 if, and to the extent that, federal financial participation is available
35 for the services provided and only for the period of time the free
36 National School Lunch Program utilizes a gross income standard
37 at or below 133 percent of the federal poverty level. This section
38 shall be implemented in a manner consistent with any federal
39 approval.

(2) Notwithstanding paragraph (1), if the department determines that one or more state plan amendments are necessary to ensure full federal financial participation in the provisions of this section, the department shall prepare and submit requests for the state plan amendments to the federal government, after which this section shall not be implemented until the later of the date the department receives approval of all necessary state plan amendments, or July 1, 2003.

(h) (1) Notwithstanding subdivision (g), not later than March 1, 2003, the department, in consultation with the State Department of Education and representatives of the school districts, county superintendents of schools, local agencies that administer the Medi-Cal program, consumer advocates, and other stakeholders, shall develop and distribute the policies and procedures, including any all-county letters, necessary to implement Section 49557.2 of the Education Code and this section.

(2) The policies and procedures required to be developed and distributed pursuant to subdivision (a) shall include, at a minimum, both of the following:

(A) Processes for the school districts, county superintendents of schools, and local agencies that administer the Medi-Cal program to use in forwarding and processing free school lunch application information pursuant to Section 49557.2 of the Education Code, and in following up with the applicants to obtain any necessary documentation required by federal law.

(B) Instructions for implementing the eligibility provisions of this chapter.

(3) The policies and procedures required to be developed pursuant to subdivision (a) shall specify all of the following:

(A) The information on the school lunch application may be used to initiate a Medi-Cal program application only when the applicant has provided his or her consent pursuant to Section 49557.2 of the Education Code.

(B) The date of the Medi-Cal program application shall be the date on which the school lunch application was received by the local agency that determines eligibility under the Medi-Cal program.

(C) The county, in determining eligibility for the Medi-Cal program, shall request additional documentation only as required by federal law, and shall enroll any child whose parent or guardian

does not provide the necessary documentation for full-scope benefits under the Medi-Cal program in the Medi-Cal program with limited scope benefits, as described in Section 14007.5.

(i) To the extent federal financial participation is available, and to the extent administratively feasible, the department shall utilize the free National School Lunch Application developed under Section 49557.2 of the Education Code, if supplemented as needed by simplified forms and disclosures, including Medi-Cal rights and responsibility notices and privacy notices, as a Medi-Cal application for children described in this section.

(j) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement this section by means of all-county letters or similar instructions without taking regulatory action. Thereafter, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(k) The department shall review the effectiveness of the statewide pilot project and make recommendations regarding appropriate ways to expand the use of the approaches contained in this section.

(l) In order to expedite health coverage for children who have been determined eligible for free meals under the National School Lunch Program, the department, at its discretion, may choose to implement this section in whole or in part by exercising the option described in Section 1396r-1a of Title 42 of the United States Code to allow information provided on the National School Lunch Program application referred to, and supplemented as described, in paragraph (1) of subdivision (a) of Section 49557.2 of the Education Code to serve as a basis for a preliminary eligibility determination by a qualified entity designated by the department.

(m) The Managed Risk Medical Insurance Board, with respect to the Healthy Families Program, and county- and local-sponsored health program agencies are authorized to use the supplemental application described in subdivision (i) and received pursuant to subdivision (c) to make an eligibility determination for those respective programs, and shall request additional information only as needed to complete the eligibility process.

SEC. 4. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this

1 act contains costs mandated by the state, reimbursement to local
2 agencies and school districts for those costs shall be made pursuant
3 to Part 7 (commencing with Section 17500) of Division 4 of Title
4 2 of the Government Code. If the statewide cost of the claim for
5 reimbursement does not exceed one million dollars (\$1,000,000),
6 reimbursement shall be made from the State Mandates Claims
7 Fund.

